

GOVERNMENT OF TELANGANA
ABSTRACT

Agriculture & Cooperation Department –TSSDC – Government Guarantee for Rs.300 crores towards working capital loan for making Seed cost payment to Farmers – Permission accorded - Orders - Issued.

AGRICULTURE AND CO-OPERATION (AGRI.I) DEPARTMENT

G.O.Rt.No. 5

Dated: 04-01-2019

Read:-

From the Managing Director, TSSDC Ltd., Lr.No.TSSDC/Fin. & Acts /Funds/2018-19,
Dt: 27/10/2018.

ORDER:

The Managing Director, Telangana State Seed Development Corporation Limited, Hyderabad vide reference read above, stated that the Corporation has been producing various seeds through individual farmers and has a mandate of making payment of at least 80% value of seed supplied to the seed production farmers within one week, so that the farmers do not sell away the produce in the open market as grain.

2. The seed production is primarily to meet the indent of the Department of Agriculture for supply under subsidy schemes of the Government besides seed production, the Corporation procures and supplies Green manure, Maize Hybrids and Bajra Hybrid seeds under the subsidy schemes of Government. Further corporation being a Nodal Agency for supply of seeds and subsidy schemes of Government nearly 90% of the seed sales turnover is out of sale under schemes only. The subsidy amount is deducted at source and passed on to the farmers as per the Government approved rates.

3. Seeds Corporation has to receive Rs.241.46 crore from Government as on date towards the subsidy component extended to farmers, differential cost on sale of leftover seeds disposed of grain and interest subvention on the working capital loan.

4. The Managing Director, Telangana State Seed Development Corporation Limited, Hyderabad further stated that, Government earlier permitted to mortgage fixed assets besides stocks and other amount receivable as per the terms and conditions of the Bank. The Corporation has availed the working capital loan limit upto Rs.200 crore duly mortgaging the fixed assets at Warangal, Jeedimetla and Nizamabad besides hypothecating stocks and amount receivable, by availing the loan so far payments to farmers have been made but the limit is exhausted to avail further. The Corporation has availed almost entire limit of loan. However, the Corporation has to make payment to the Seed farmers which will be processed, packed and sold to farmers in the next season only. In order to tieover the situation, the Corporation requires additional funding either in the form of release of amount from the Government immediately or permit the Corporation to go for further borrowing with Government guarantee for the loan.

5. The following points are submitted by the Managing Director, Telangana State Seed Development Corporation Limited, Hyderabad:

1. Paddy, Soybean and Pulses Seeds of Kharif, 2018 season production are received in the processing plants of the Corporation.
2. As per mandate, Corporation has to make payment to the Seed farmers immediately failing which the farmers may sell it away as grain in the open market.
3. Last Kharif 2018 seed supply payments of Rs.46 crore is also due to be paid for more than 4 months.
4. This will result in Seed supply crisis for this Rabi 2018-19 season due to non-achievement of Seed production target.
5. The working capital loan limit of Rs.200 crore has been utilized almost entirely.

6. The Managing Director, Telangana State Seed Development Corporation Limited, Hyderabad further submitted that, earlier the Corporation approached the bankers for providing additional loan towards working capital facility upto Rs.300 crore. The Bankers have not considered for enhancement of the present sanctioned limit of Rs.200 crores to Rs.300 crore without Government guarantee.

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7. In order to avoid unrest among Seed Production farmers by making timely payment and achieve Seed production target to ensure supply under the subsidy scheme of Government requested the Government to consider and extend Government guarantee as collateral security for the working capital loan duly enhancing the present borrowing limit from Rs.200 crores to Rs.300.00 crores.

8. Government after careful examination, hereby accord permission to the Managing Director, Telangana State Seed Development Corporation Limited, Hyderabad to raise Government Guarantee Loan for Rs.100 Crores (totalling to Rs.300 Crores) from any Nationalized Banks / Government Finance Institution Banks for the purpose as mentioned above subject to following the procedures and rules.

9. The Managing Director, Telangana State Seed Development Corporation Limited, Hyderabad shall take further necessary action in the matter accordingly.

10. This order issued with the concurrence of Finance Department vide their U.O.No.4170/148/A1/DCM/2018, Finance (DCM) Department Dated:02/01/2019.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**C. PARTHASARATHI,
APC & PRINCIPAL SECRETARY TO GOVERNMENT.**

To,
The Managing Director,
Telangana State Seed Development Corporation Limited, Hyderabad.
The Commissioner & Director of Agriculture, Hyderabad.
Sf/Sc

//FORWARDED ::BY ORDER//

SECTION OFFICER